

# CALL FOR PROJECTS IN HAMPSHIRE SEEKING CAPITAL FUNDING FROM THE LEP LEGACY RESERVES

## GUIDANCE NOTE FOR APPLICANTS

### Background

In April 2024, responsibility for the functions of Local Enterprise Partnerships (LEPs) transferred to upper tier local authorities. As a result, financial assets transferred from Enterprise M3 and Solent LEPs to Hampshire County Council (HCC). HCC subsequently confirmed that these **LEP legacy reserves** are to be utilised for the County Council to discharge its economic development functions.

Following the transfer of LEP functions, HCC established the **Hampshire Prosperity Partnership Board (HPPB)**. HPPB brings together leaders from local government, business, business representative organisations, and education, to work together to the benefit of the regional economy. See [Board members | Business and economy | Hampshire County Council](#)

HPPB's role includes making recommendations to HCC regarding economic development priorities, and also regarding significant projects requiring use of the LEP legacy reserves. HCC and HPPB recently agreed to open a **call for projects seeking funding from the LEP legacy reserves**.

### What kinds of projects are eligible?

#### Aim

The aim of the call for projects is to support projects that contribute to **sustainable and inclusive economic growth in Hampshire**.

#### Priority Areas

Projects will need to address one or more of the following **priority areas**:

- High potential sectors and clusters, including the Industrial Strategy "IS-8" sectors
- Business support
- Infrastructure: energy, digital, transport, and business space
- Skills, employment and careers

#### Strategic Alignment

Projects will need to demonstrate that they are **aligned with**:

- Hampshire's Economic Strategy: [Economic-Strategy-For-Hampshire-2025-27-FINAL.pdf](#)
- Hampshire's Economy and Growth Plan: [Economy and Growth Plan for Hampshire](#)
- the Government's Industrial Strategy: [The UK's Modern Industrial Strategy](#)
- other relevant local, regional or national strategies

## Benefits

Projects will need to deliver quantified and measurable **economic benefits in the Hampshire County Council (HCC) administrative area.**

Each project must deliver **at least one** of the following **five core benefits**. These core benefits will be used to generate an assessment of the value-for-money of your project, so you should provide estimates for all of the core benefits that apply to your project:

- **Jobs created.** Permanent, full time equivalent (FTE) jobs created within the HCC administrative area as a result of your project.
- **Growth in business turnover.** Growth in business turnover within the HCC administrative area as a result of your project (£).
- **Moves into employment.** Residents of the HCC administrative area moving from inactivity or unemployment into employment as a result of your project (number of residents).
- **Learners aged 16+ achieving qualifications.** Residents of the HCC administrative area achieving a qualification as a result of your project (number of residents).
- **Reduced emissions.** Reduced greenhouse gas emissions generated in the HCC administrative area as a result of your project (tCO<sub>2</sub>e).

The business case template also enables applicants to set out economic benefits that are additional to the five core benefits, and which are quantified and measurable.

The benefits of the project must apply **primarily within the HCC administrative area**. Applicants are also asked to set out any benefits that apply within the neighbouring unitary authority areas of the Isle of Wight, Portsmouth and Southampton.

## Additionality

Applicants must set out in their business case how funding from the LEP legacy reserves would enable **additional activity and benefits**, that could not be achieved without this funding. HCC are also keen to ensure that the LEP legacy reserves do not duplicate other, existing funding sources.

Business cases therefore need to include consideration of:

- How the project would be taken forward, and what the impact on the project would be, if the application for funding from the LEP legacy reserves was not successful
- Whether the funding requested from the LEP legacy reserves could come from other, existing funding sources
- How the approach to the project minimises deadweight (subsidising activity that would have happened anyway) and displacement (shifting activity from one place to another)

## Who can apply for funding?

HCC welcomes applications from **partnerships of organisations** working together to deliver a project, and in many cases, collaborative approaches may increase the impact that a project is able to achieve.

Each application, however, must be made by a **single organisation**. This is the organisation that, if the application were successful, would enter into a funding agreement with HCC and receive the funds. For any collaboration, therefore, one organisation must act as the lead partner and applicant.

Applicants must be **one of the following**:

- A local authority or other public body
- A business organisation representing multiple businesses and/or a business sector or cluster
- A university or college

Outside of the categories above, private organisations (for profit or non-profit) are not able to apply. An applicant in one of the above categories, however, may apply for a project of which multiple private organisations would be beneficiaries.

An organisation can be the lead partner for **up to two applications only**.

## What funding is available?

### Capital Only

Funding available from HCC through this call for projects is **capital only** i.e. not revenue.

The funding must be used to cover capital costs, not operational costs. Capital costs means expenditure on the acquisition, creation or enhancement of an asset that will provide your organisation with control of the resulting economic benefit or service potential and that has a measurable cost.

### Grants and Loans

Applicants may apply for funding in the form of **a grant or a loan**.

Providing funding in the form of a loan enables the funds to be used again to support future projects, once the loan has been repaid. Following an application for a grant, HCC reserves the right to discuss with the applicant whether a loan may be a viable alternative e.g. because the project enables a future revenue stream from which repayments could be made. HCC also reserves the right, following that conversation, to consider the application only on the basis of a loan rather than a grant.

The interest rate for any loan will typically be based on the Bank of England base rate plus a small premium, although the rate may be adjusted in line with the risk profile of the project.

The repayment period will be informed by the nature of the project and the expected timescales for completion of the project and delivery of its benefits. For example, HCC might seek repayment over a period of three years from project completion, or of five years from project start.

### **Total Funding Available**

The maximum amount of LEP legacy reserves funding that is available to be allocated through this call for projects is **£22.3 million**.

There is no assumption that all of this available funding will be allocated through this call for projects, and HCC reserves the right not to allocate all of the available funding. Applications will need to be of high quality in order to be considered for funding. Any unallocated funds will remain available for allocation through future calls for projects or other processes, or for other uses relating to economic development in Hampshire.

### **Funding per Project**

There is no minimum or maximum amount of funding that can be requested per project. This is to enable applications for a range of projects, at different scales and stages of development.

### **Administration Fee**

For each successful project, an administration fee will be added to the amount of funding requested from the LEP legacy reserves. This fee will be payable to HCC but will be covered by the LEP legacy reserve funding, so will effectively be recoverable by the project.

These administration fees will cover HCC's costs of administering the funding process, including ongoing monitoring of projects. We will advise applicants of the amount of these fees at the shortlist stage (see below).

### **Is there a match funding requirement?**

HCC is keen that the LEP legacy reserves should stimulate other investment, in order to maximise their impact. Therefore, our preference is to support projects involving **substantial match funding** i.e. the LEP legacy reserves funding would only be covering part of the total project cost, with the remainder being covered from other funding sources. Projects with a higher percentage of match funding will be assessed as offering better value for money.

There is **no minimum** match funding percentage, however, and a project with no match funding will not be ruled out automatically.

Match funding can be **capital or revenue**, including staffing costs directly associated with the delivery of the project. It can include funding already committed to a project, as well as new funding.

As part of the business case, applicants should also state how the project will **leverage** other private investment or public funding, beyond the direct costs of the

project itself. This could include, for example, the potential to attract Government funding relating to the Industrial Strategy into Hampshire.

## Template Funding Agreement

A template funding agreement is available here: [Draft Grant Agreement - LEP Legacy Reserves.pdf](#)

Successful applicants for a grant will need to agree to the terms of this agreement. Successful applicants for a loan will need to enter into an agreement with similar terms, but with specific provisions relating to the loan.

## Subsidy Control

Applicants should note that applications must be compliant with Subsidy Control laws and will be subject to a Subsidy Control assessment. This will be carried out by Hampshire County Council prior to the final approval of recommended applications.

## What is the process and timetable?

Stages in the application process, with indicative timings, are set out in the following table. Please note that these indicative timings are subject to change.

Stage		Indicative timings
1	Call for projects opens	Late November 2025
2	Call for projects closes – deadline for submission of business cases to HCC	Friday 16 January 2026
3	Initial assessment of business cases and shortlisting by HCC – shortlisted applicants will be invited to give a face-to-face presentation to HCC	Mid to late January 2026
4	Presentations by shortlisted applicants, at HCC in Winchester	Early to mid-February 2026
5	Shortlisted applicants amend their business cases, in response to feedback following their presentations	Mid to late February 2026
6	HPPB meets to consider shortlisted projects and makes recommendations to HCC regarding which should be funded (subject to due diligence)	March 2026
7	Due diligence on recommended projects by HCC	Spring 2026
8	Recommended projects that pass due diligence go to HCC Cabinet or Executive Member Decision Day for approval	Summer 2026
9	Drafting and signing of funding agreements	Summer 2026

## **What about devolution and local government reorganisation?**

Information about devolution and local government reorganisation in Hampshire and the Solent is available here: [Devolution and local government reorganisation | About the Council | Hampshire County Council](#)

At this stage, it is not yet known whether the establishment of a Mayoral Combined County Authority for Hampshire and the Solent (i.e. devolution) will result in any changes to how unallocated LEP legacy reserves will be used. In any case, it is HCC's intention that allocations of funding through this call for projects will be made before, and will not be affected by, any such changes. However, HCC will not be able to allocate and provide funding through this process, if sufficient LEP legacy reserves are not available for any reason.

Depending on their duration, projects that receive funding from the LEP legacy reserves may not be completed when local government reorganisation takes place. Funding agreements will therefore make provision for the transfer of the agreement from HCC to a successor local authority, if required.

## **How to apply**

Applicants should complete all sections of the business case template [LEP Legacy Reserves Business Case Template.docx](#) and email this, with any appendices, to [legacyreserves@hants.gov.uk](mailto:legacyreserves@hants.gov.uk) by **Friday 16 January 2026**.

## **How to contact us**

If you have any questions about the call for projects, please email us at [legacyreserves@hants.gov.uk](mailto:legacyreserves@hants.gov.uk).

Questions received, together with answers, will be published in the form of a Q&A document. This may be updated from time-to-time, during the period up to the deadline for submission of business cases. The latest version will be made available on our website in due course.